

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
ANNUAL FINANCIAL REPORTS  
DECEMBER 31, 2012 AND 2011

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James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 1904-1984  
 John Newton Stout, CPA  
 1936-2005  
 Chizal S. Fontenot, CPA  
 1955-2012

Retired

Harold Dupre, CPA  
 1996  
 Dwight Ledoux, CPA  
 1998  
 Joel Lanclos, Jr., CPA  
 2003  
 Russell J. Stelly, CPA  
 2005

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners Reddell-Vidrine  
 Water District  
 Ville Platte, Louisiana

We have reviewed the accompanying financial statements of the business-type activity of the Reddell-Vidrine Water District, a component unit of the Evangeline Parish Police Jury, as of and for the years ended December 31, 2012 and 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Reddell-Vidrine Water District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The Management of the Reddell-Vidrine Water District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of American. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated March 28, 2013, on the results of our agreed-upon procedures.

The other supplementary information on pages 14 through 23 is not required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Management has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Opelousas, Louisiana  
 March 28, 2013

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
STATEMENTS OF NET ASSETS  
DECEMBER 31, 2012 AND 2011

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Petty cash	\$ 252	\$ 252
Checking	33,852	35,831
Savings	52,782	44,707
Accounts receivable	34,915	33,174
Due from restricted assets	562	660
<u>Total current assets</u>	<u>122,363</u>	<u>114,624</u>
<u>RESTRICTED ASSETS</u>		
Bond Reserve Fund	18,089	16,690
Security deposits	39,269	37,962
<u>Total restricted assets</u>	<u>57,358</u>	<u>54,652</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>		
Buildings and equipment	205,508	204,919
Water system	818,537	813,316
	<u>1,024,045</u>	<u>1,018,235</u>
Less: accumulated depreciation	(481,618)	(455,684)
Land	24,500	24,500
<u>Total property, plant, and equipment</u>	<u>566,927</u>	<u>587,051</u>
<u>OTHER ASSETS</u>		
Security deposits	10	10
<u>Total other assets</u>	<u>10</u>	<u>10</u>
<u>Total assets</u>	<u>746,658</u>	<u>756,337</u>

Continued on next page.

See accompanying notes and independent accountant's review report.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
STATEMENTS OF NET ASSETS (CONTINUED)  
DECEMBER 31, 2012 AND 2011

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>2012</u>	<u>2011</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u> (from current assets)		
Accounts payable	\$ 399	\$ 5,559
Taxes payable	1,789	3,730
FHA note-current portion	5,231	4,986
Kansas State Bank-current portion	17,069	15,817
<u>Total current liabilities</u>	<u>24,488</u>	<u>30,092</u>
<u>CURRENT LIABILITIES</u> (from restricted assets)		
Accrued interest payable	245	325
Security deposits payable	38,707	37,302
Due to operating	562	660
	<u>39,514</u>	<u>38,287</u>
<u>NON-CURRENT LIABILITIES</u>		
FHA note	154,182	159,464
Kansas State Bank	-	33,500
<u>Total non-current liabilities</u>	<u>154,182</u>	<u>192,964</u>
<u>Total liabilities</u>	<u>218,184</u>	<u>261,343</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	390,445	373,284
Restricted	17,844	16,365
Unrestricted	120,185	105,345
<u>Total net assets</u>	<u>528,474</u>	<u>494,994</u>
<u>Total liabilities and net assets</u>	<u>746,658</u>	<u>756,337</u>

See accompanying notes and independent accountant's review report.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>2012</u>	<u>2011</u>
<u>OPERATING REVENUES</u>		
Water sales and late fees	\$ 268,322	\$ 267,088
Connection, installations and miscellaneous	11,696	22,046
<u>Total operating revenues</u>	<u>280,018</u>	<u>289,134</u>
<u>OPERATING EXPENSES</u>		
Accounting	4,135	8,135
Advertising	505	325
Bank service charge	184	46
Depreciation	25,934	25,180
Entertainment	994	867
Fees and permits	1,015	2,643
Fuel and truck expense	5,849	6,461
Insurance	26,621	19,060
Legal	-	675
Miscellaneous	2,798	629
Office expense and postage	7,409	5,694
Repairs	7,273	12,560
Salaries and wages	82,166	102,094
Supplies	29,199	31,440
<i>Per diem paid board members</i>	3,200	3,250
Payroll taxes	6,123	9,365
Pension plan expense	642	-
Rent expense	1,800	1,800
Telephone	6,551	5,953
Utilities	23,798	28,005
<u>Total operating expenses</u>	<u>236,196</u>	<u>264,182</u>
<u>Operating income</u>	<u>43,822</u>	<u>24,952</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest revenue	445	977
Interest expense	(10,787)	(13,989)
<u>Total non-operating revenues</u>		
<u>(expenses)</u>	<u>(10,342)</u>	<u>(13,012)</u>
<u>CHANGE IN NET ASSETS</u>	<u>33,480</u>	<u>11,940</u>
<u>NET ASSETS, beginning of year</u>	<u>494,994</u>	<u>483,054</u>
<u>NET ASSETS, end of year</u>	<u>528,474</u>	<u>494,994</u>

See accompanying notes and independent accountant's review report.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from customers and users	\$ 279,682	\$ 289,127
Payments to suppliers for goods and services	(115,269)	(139,400)
Payments to employees for services	(102,094)	(95,917)
Net cash provided by operating activities	<u>62,319</u>	<u>53,810</u>
<u>CASH FLOWS FROM CAPITAL AND</u>		
<u>RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets	(5,810)	(61,775)
Principal paid on capital debt	(37,285)	(34,096)
Interest paid on capital debt	(10,867)	(14,059)
Net cash used by capital and related financing activities	<u>(53,962)</u>	<u>(109,930)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest earned on operating funds	445	977
Net cash provided by investing activities	<u>445</u>	<u>977</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	8,802	(55,143)
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>135,442</u>	<u>190,585</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>144,244</u>	<u>135,442</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET</u>		
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss)	\$ 43,822	\$ 24,952
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation expense	25,934	25,180
(Increase) decrease in receivables	(1,741)	(1,437)
Increase (decrease) in payables	(7,101)	3,685
Increase (decrease) in meter deposits	1,405	1,430
Total adjustments	<u>18,497</u>	<u>28,858</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>62,319</u>	<u>53,810</u>

See accompanying notes and independent accountant's review report.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. SCOPE OF ENTITY

The Reddell-Vidrine Water District of Evangeline Parish, Louisiana was created by the Evangeline Parish Police Jury on July 14, 1967, and is governed by five board members appointed by the Evangeline Parish Police Jury. The Water District was created to provide water within the District. The Water District is a component unit of the Evangeline Parish Police Jury. The system has approximately 910 customers. It is economically dependent upon the District it serves.

As the governing authority of the parish, for reporting purposes, the Evangeline Parish Police Jury is the financial reporting entity for Evangeline Parish.

The financial reporting entity consists of (a) the primary government (Parish Police Jury) (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Evangeline Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Parish Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Police Jury.
2. Organizations for which the Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Parish Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Police Jury appoints a voting majority of the Water District's governing body and the Parish Police Jury has the ability to impose its will on the Water District, the Water District was determined to be a component unit of the Evangeline Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Water District and do not present information on the Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.



REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statements of Net Assets display information on all of the non-fiduciary activities of Reddell-Vidrine Water District, as a whole. They include the proprietary fund of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS.

C. FUND ACCOUNTING

The accounts of Reddell-Vidrine Water District are organized in one fund, which is considered a separate accounting entity. The operations of the fund are accounted for by self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses. The fund presented in the financial statements is described as follows:

Proprietary Fund

Proprietary funds are used to account for operations that are financed and operated in a manner where the intent of the governing body is that the costs, (expenses) including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the Statements of Net Assets, business-type activities are presented using the economic resources measurement focus.

The Proprietary Fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the Statements of Net Assets, business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Unbilled and billed utility receivables are recorded at year-end. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year, unless material.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principle operating revenues for proprietary funds are charges to customers for sales or services. Principle operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

E. INVESTMENTS

Investments are recorded at cost, which approximates market.

Louisiana statutes authorize Reddell-Vidrine Water District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, the Louisiana Asset Management Pool, or any other federally insured investment.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. CAPITAL ASSETS

Capital assets (including infrastructure assets), which constitute assets of the Proprietary Fund, are recorded at cost and depreciation is computed under the straight-line method and the modified accelerated cost recovery method. The service lives by type of asset are as follows:

Water system	50 years
Wells	50 years
Line extension	50 years
Building and equipment	5-50 years

G. BUDGET

Reddell-Vidrine Water District is not required to adopt a budget for its Proprietary Fund.

H. STATEMENT OF CASH FLOWS

For purposes of reporting cash flows, all highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

I. ENCUMBRANCES

Reddell-Vidrine Water District does not employ the encumbrance system of accounting.

J. COMPENSATED ABSENCES

Vacation and sick leave cannot be accumulated. Employees do not get paid for unused vacation or sick leave.

K. RETIREMENT

The employees of the District contribute to a Simple Plan. See NOTE (7)

L. BAD DEBTS

Reddell-Vidrine Water District has a policy of recognizing uncollectible amounts of water billings at the time information becomes available which would indicate the uncollectibility of the receivable.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE (2) - CASH

At December 31, 2012 and 2011 the entire bank balances were covered by FDIC insurance.

NOTE (3) - ACCOUNTS RECEIVABLE

Reddell-Vidrine Water District's accounts receivable consist of uncollected billed and unbilled utility services. An accounts receivable aging schedule is as follows:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
<u>Days</u>	<u>Amounts</u>	<u>Amounts</u>
0-30 days	\$ 20,715	\$ 21,659
31-60 days	4,851	4,950
61-90 days	949	(385)
Over 90 days	8,400	6,950
	<u>34,915</u>	<u>33,174</u>

The present water rates are as follows:

Commercial and Residential Rates

Flat rate for 3/4 inch:	\$ 15.00
Flat rate for 1 inch:	23.00
Flat rate for 1 1/2 inch:	33.00
Flat rate for 2 inch:	43.00
0-2000 Gallons:	15.00 Flat Rate
Over 2000 Gallons:	0.22 per 100 gallons

The District has 897 residential and 13 commercial customers.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

NOTE (4) - CAPITAL ASSETS

The following is a summary of the capital assets of the Proprietary Fund at December 31, 2012:

	Balance 1/1/2012	Additions	Retirements	Balance 12/31/2012
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 24,500	\$ -	\$ -	\$ 24,500
Capital assets being depreciated				
Building and equipment	204,919	589	-	205,508
Water system	813,316	5,221	-	818,537
Total capital assets	1,018,235	5,810	-	1,024,045
Less: accumulated depreciation:				
Building and equipment	(105,339)	(8,726)	-	(114,065)
Water system	(350,345)	(17,208)	-	(367,553)
Total accumulated depreciation	(455,684)	(25,934)	-	(481,618)
Business-type activities capital assets, net	562,551	(20,124)	-	542,427

The following is a summary of the capital assets of the Proprietary Fund at December 31, 2011:

	Balance 1/1/2011	Additions	Retirements	Balance 12/31/2011
Business-type activities				
Capital assets not being depreciated				
Land	\$ 24,500	\$ -	\$ -	\$ 24,500
Capital assets being depreciated				
Building and equipment	167,344	37,575	-	204,919
Water system	789,116	24,200	-	813,316
Total capital assets	956,460	61,775	-	1,018,235
Less: accumulated depreciation				
Building and equipment	(96,573)	(8,766)	-	(105,339)
Water system	(333,931)	(16,414)	-	(350,345)
Total accumulated depreciation	(430,504)	(25,180)	-	(455,684)
Business-type activities capital assets, net	525,956	36,595	-	562,551

Depreciation expense was charged to functions as follows:

	2012	2011
Business-type activities capital assets, net		
Water	\$ 25,934	\$ 25,180
Total business-type activities	25,934	25,180

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

NOTE (5) - LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions:

FHA Note:

\$225,000 water revenue bonds, series 1998, bearing interest at the rate of 4.75% per annum with monthly payments of \$1,057.50 due on the 11<sup>th</sup> day of each month beginning June 11, 1999.

Monthly reserve fund deposits will be made. The amount will be five percent of the annual payment divided by 12 rounded up to the nearest dollar. Deposits will start when the system becomes revenue producing and continue until there is accumulated in the account an amount equal to the highest annual debt service payable in any future year. An amount of \$53 per month will be taken from the system's revenues and deposited in the depreciation and contingency funds.

The annual requirements to amortize revenue bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
2013	\$ 5,231	\$ 7,459
2014	5,485	7,205
2015	5,751	6,939
2016	6,030	6,660
2017	6,323	6,367
2018-2022	36,528	26,922
2023-2027	46,299	17,151
2028-2032	47,766	4,960
Total	<u>159,413</u>	<u>83,663</u>

Kansas State Bank of Manhattan:

The Water District signed a \$137,700 lease dated June 29, 2009 for an automatic drive-by water meter system. The lease requires semi-annual installment payments of \$17,731 bearing an interest rate of 7.763%.

The annual requirements to amortize the debt outstanding at December 31, 2011 are as follows:

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
2013	\$ 17,069	\$ 663
Total	<u>17,069</u>	<u>663</u>

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

NOTE (6) - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made up of the following accounts:

	<u>2012</u>	<u>2011</u>
Petty cash	\$ 252	\$ 252
Checking	33,852	35,831
Savings	52,782	44,707
Bond Reserve Fund	18,089	16,690
Security deposits	39,269	37,962
	<u>144,244</u>	<u>135,442</u>

NOTE (7) - RETIREMENT PLAN

The Water District has adopted a Simple Plan for employees who have earned at least \$5,000 in any prior two (2) years and have been actively employed by the Water District in at least one (1) year. The Water District matches employee elected deferrals dollar for dollar up to three percent (3%) of wages.

NOTE (8) - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Reddell-Vidrine Water District does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.

NOTE (9) - SUBSEQUENT EVENTS

Subsequent events were evaluated through March 28, 2013, which is the date the financial statements were available to be issued. As of March 28, 2013, there no subsequent events noted.

OTHER SUPPLEMENTARY INFORMATION



James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

John S. Dowling, CPA  
 1904-1984  
 John Newton Stout, CPA  
 1936-2005  
 Chizal S. Fontenot, CPA  
 1955-2012

**Retired**

Harold Dupre, CPA  
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To the Board of Commissioners Reddell-Vidrine  
 Water District  
 Ville Platte, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Reddell-Vidrine Water District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Reddell-Vidrine Water District's compliance with certain laws and regulations during the year ended December 31, 2012, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Reddell-Vidrine Water District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

The District had no expenditures for material and supplies exceeding \$30,000 or public works exceeding \$150,000.

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The employees included on the list of employees provided by management in agreed-upon procedure (3) did not appear on the list provided by management in agreed-upon procedure (2).

To the Board of Commissioners Reddell-Vidrine  
Water District of Evangeline Parish, Louisiana  
Page 2

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Reddell-Vidrine Water District records all activities in a proprietary fund and, therefore, is not required to adopt a budget.

6. Trace the budget adoption and amendments to the minute book.

Reddell-Vidrine Water District records all activities in a proprietary fund and, therefore, is not required to adopt a budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Reddell-Vidrine Water District records all activities in a proprietary fund and, therefore, is not required to adopt a budget.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a. Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Determine if payments were properly coded to the correct fund and general ledger account; and

When tracing the payments, one payment was found to be coded to the improper general ledger account. (Finding 2012-2)

- c. Determine whether payments received approval from proper authorities.

Each of the six selected disbursements was traced to the District's minute book where they were approved by the full commission.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:13 (the open meetings law).

Reddell-Vidrine Water District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

To the Board of Commissioners Reddell-Vidrine  
Water District of Evangeline Parish, Louisiana  
Page 3

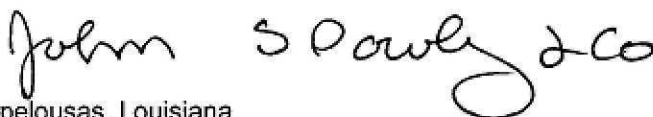
Advances and Payroll

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District showed no indication of approval of bonuses, advances or gifts. We also inspected payroll records for the year and noted no instances which would constitute bonuses, advances, or gifts.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Reddell-Vidrine Water District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Opelousas, Louisiana  
March 28, 2013

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Government)

1/9/13 (Date Transmitted)

Reddell - Vidrine Water District  
Ville Platte, LA

John S. Dowling & Co (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes ☒ No ☐

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements,

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u>Michael C. Goyette</u>	Secretary	<u>1-9-13</u>	Date
<u>For J. D. [Signature]</u>	Treasurer	<u>1-9-13</u>	Date
<u>Way Jimenez</u>	President	<u>1-9-13</u>	Date

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
SCHEDULE OF CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2012-1 Inadequate Segregation of Accounting Functions

Finding: The segregation of duties is inadequate to provide effective internal control.

Management's corrective action plan: Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2012-2 Improper Coding of Disbursement to General Ledger Account

Finding: One disbursement selected for testing was coded to the wrong general ledger account.

Management's corrective action plan: The District will code it to the right account in the future.

2012-3 Contingency and Depreciation Account

Finding: The District did not have a contingency and depreciation account required by the USDA.

Management's corrective action plan: The District will set up proper contingency and depreciation accounts and make the required payments.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2011-1 Inadequate Segregation of Accounting Functions

Unresolved – Repeat comment

2011-2 Delinquent Financial Statement Report

Resolved

2011-3 Bonuses Paid to Employees

Resolved

2011-4 Proposed Budget Not Submitted to USDA by Applicable Deadline

Resolved

2011-5 Public Bid Law

Resolved

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
SCHEDULE OF DIRECTORS' AND OFFICERS' COMPENSATION  
AS OF DECEMBER 31, 2012

<u>Name of Commissioner</u>	<u>Office Held</u>	<u>Term</u>	<u>Amount</u>
Joseph Limoges	President	July 2016	\$ 1,200
Kane Fontenot	Vice-President	July 2014	450
Mike Griffin	Commissioner	July 2014	150
Mike Triplett	Commissioner	July 2014	200
Benny Fontenot	Commissioner	July 2014	500
David Courville	Vice-President	Resigned	150
Gary Vidrine	Secretary	Resigned	-
Vince Deshotels	Secretary	Resigned	300
Timothy Fontenot	Commissioner	Resigned	200
Ben Deshotel	Commissioner	Resigned	50
Total			<u>3,200</u>



REDDELL-VIDRINE WATER DISTRICT  
VILLE PLATTE, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)  
DECEMBER 31, 2012

Type	Amount	Expiration Date
Property/General Liability/Auto	\$1,000,000/3,000,000/1,000,000	1/31/2013
Worker's Compensation	\$500,000/500,000/500,000	1/31/2013
Employee Bond	\$30,000	1/1/2013
Employee Bond	\$10,000	6/24/2013